

REPORT TO THE TWENTY-THIRD LEGISLATURE
STATE OF HAWAII
2005

PURSUANT TO HOUSE BILL NO. 2814, H.D. 2, S.D.1, C.D.1, 2004 REQUIRING THE DEPARTMENT OF HEALTH TO SUBMIT AN ANNUAL REPORT TO THE LEGISLATURE ON INITIATIVES AND IMPROVEMENTS IN KALAUPAPA SETTLEMENT AND TO TRACK PATIENT AND NON-PATIENT COSTS SEPARATELY, WHENEVER APPROPRIATE AND POSSIBLE. THE INITIATIVES AND IMPROVEMENTS ARE TO ADDRESS DEFICIENCIES IDENTIFIED BY AN AUDIT (AUDITOR'S REPORT NO. 03-15, AUDIT OF KALAUPAPA SETTLEMENT OPERATIONS AND EXPENDITURES) CONDUCTED DURING THE SUMMER OF 2003.

PREPARED BY:

STATE OF HAWAII
DEPARTMENT OF HEALTH
OCTOBER 2004

EXECUTIVE SUMMARY

In accordance with House Bill No. 2814, H.D. 2, S.D.1, C.D.1, of the 2004 Legislative Session, the Department of Health (DOH) is submitting a report to the 2005 Legislature on initiatives and improvements in Kalaupapa Settlement.

During the 2003 legislative session, the legislature adopted house concurrent resolution no. 165 that requested the auditor to conduct an audit of Kalaupapa Settlement operations and expenditures. The Audit report states: “the (Kalaupapa) Administrator was the main source of frustration for patients and most complaints presented to us centered on the negative behavior of the Kalaupapa Administrator (KA).” As some patients did not participate in the Auditor’s survey, the Department felt it important to survey the patients again to verify the conclusions of the auditor and discover specific areas for improvement.

In April of 2004, staff of the Developmental Disabilities Division of DOH agreed to assist with a new survey and was able to speak with 28 of the 38 Kalaupapa patients. The full results of this survey are included in this report, among the findings were that 47% to 59% of the patients surveyed had issues with the administrator’s communication skill, 56% had issues with his problem resolution skills, and 58% felt the administrator was not fair in his decisions.

Using the results of the April 2004 patient survey, a schedule of training sessions for the administrator was arranged. A remediation plan for the administrator was developed and implemented, with an evaluation that involved the patients. In May through August of 2004, there were 36 interactions (involving 18 of 36 patient residents) between the Administrator and patients recorded. The Branch Chief followed up on each interaction and there was not one patient complaint reported against the KA. All patients reported good experiences with their interactions with the KA.

Much of the patients’ dissatisfaction with the non-medical aspects of Kalaupapa operations involved the lack of clear two-way communication between the Administrator and the patients and the lack of patients’ involvement in deciding issues that affect them. DOH recognized this issue prior to the auditor’s findings, and in June of 2003, scheduled quarterly meetings between the Kalaupapa Patient Advisory Council, the Kalaupapa Administrator, the Hansen’s Disease Branch Chief, and the Branch Administrative Officer. In January of 2004, we commenced monthly community meetings initiated involving Kalaupapa administrative staff, the Hansen’s Disease Branch Chief, National Park Service and periodically the Deputy Director of Health Resources Administration.

In addition to improving communications between the DOH and the patients, the DOH has worked on improving the living environment for the patients. For example, household appliances have been purchased to replace patient appliances that are no longer serviceable, an additional community van was purchased for the patients at their request, several improvement projects were initiated on patient homes, policies were developed and implemented with patient input, and store hours were extended at the patient’s request.

The DOH has also implemented several new policies and procedures to help in the management of state resources, store operations, state property, and employee benefits. In addition, to assist in tracking complaints and to ensure a timely response to complaints, a formal complaints process was implemented.

The DOH feels that the actions taken to address the deficiencies identified in the auditor's report are a strong foundation on which to build further improvements for the benefit of the patients, community operations and the community of Kalaupapa.

REPORT TO THE LEGISLATURE IN COMPLIANCE WITH HOUSE BILL NO. 2814, H.D. 2, S.D.1, C.D.1, 2004

Requiring the Department of Health (DOH) to submit an annual report to the legislature on initiatives and improvements in Kalaupapa Settlement and to track patient and non-patient costs separately, whenever appropriate and possible. The initiatives and improvements are to address deficiencies identified by an audit (Auditor's Report No. 03-15, Audit of Kalaupapa Settlement Operations and Expenditures) conducted during the summer of 2003.

The annual report is broken down into nine topic areas consisting of:

1. The department's provision of medical and basic living needs of the patients;
2. The department's progress toward defining and addressing the non-medical needs of patients;
3. The department's progress toward promoting a positive living environment;
4. The department's management of state resources, including benefits given to employees that are not statutorily defined;
5. The department's progress toward establishing written policies and procedures for Kalaupapa store;
6. The department's progress toward establishing and maintaining a complaint file and adequately addressing complaints;
7. The performance of the administrator, including compliance job duties;
8. The department's progress toward adequate accountability of state property; and
9. Details and justification of approved employee air travel requests and trail pay.

An additional section will address what the department has done to track patient and non-patient costs separately.

The DOH welcomes the opportunity to report to the legislature on the progress it has made in addressing the issues identified in the audit that are important to the patients of Kalaupapa. The department had recognized some of the patient's concerns prior to the audit and auditor's report, and began addressing those concerns in May 2003. Information on the progress made on addressing these issues has been included in this report, as these issues are integral to many of the problems identified in the auditor's report.

I. The department's provision of medical and basic living needs of the patients;

The DOH is responsible for providing medical care for the 37 remaining former Hansen's disease patients on the Kalaupapa registry. This includes not only medical conditions related to their cured Hansen's disease, but also any other medical conditions that affect this elderly geriatric population. The average age of the patients is 76 years old with a range in age from 63 years to 92 years old. All of the patients have handicapping disabilities related to their Hansen's disease and many continue to encounter long-term foot ulcers related to nerve damage and the resulting area insensitivity. Chronic diseases such as diabetes, chronic heart failure and various types of cancers commonly afflict this population. The DOH's Dental Division provides dental care for these patients, with a dentist making monthly visits to Kalaupapa.

The DOH's philosophy toward medical care of the Kalaupapa patients has been one of keeping the patients as independent as possible at whatever level of capacity they may be at. The Hansen's Disease Branch has developed a number of different programs and levels of patient care toward that end. To keep patients in their homes as long as possible, the program runs a meal-on-wheels program for those patients who are no longer able to cook for themselves. A home chore worker program is also available to provide house cleaning services, home chore services, as well as some light cooking. Most of the patients also receive lawn services provided by the DOH. For the patients who are home bound or mobility impaired, the Kalaupapa Care Home provides services through a home outreach nurse who checks on their medical status regularly.

For those patients who are no longer able to live in their homes independently, the next level of care is provided at the Kalaupapa Care Home. The care home is licensed as a type II adult residential care home (ARCH II) and can accommodate patients who are at the skilled nursing level and intermediate care level as well as care home level. Medical services are provided by staff nurses (RNs), licensed practical nurses (LPNs), paramedical assistants (PMAs) and home chore workers. A Purchase of Service contract was recently executed with the University of Hawaii, John A. Burns School of Medicine to provide physician services to Kalaupapa twice a week for outpatient visits and medical consulting. Although the contract is costly, it was the only option available when the DOH physician retired. At the time of the physician's retirement, the program was unsuccessful in recruiting a physician for the position.

Patients requiring the next level of care are moved to the 14-bed Hale Mohalu Hospital at Leahi Hospital in Honolulu. Hale Mohalu is licensed as a broad service hospital and often accommodates patients at the end stages of life, those recovering from complex medical procedures done in community hospitals, or those receiving on going medical treatment in Honolulu hospitals. There are currently six long term Kalaupapa registry patients residing at Hale Mohalu Hospital.

Many specialty medical services are provided only in Honolulu and the DOH provides all airfare, food and lodging to those patients on outpatient visits for such services. Patients with acute medical conditions often require air evacuation by the Air Ambulance due to the isolation of the settlement and the long periods between scheduled flights. The DOH pays for this cost, but as with all medical services is the payer of last resort.

In addition to the medical services described above, the Kalaupapa patients are also provided with ancillary services such as hearing aids, glasses or contacts, prosthesis, orthotics and shoes, and wheel chairs. A number of patients' homes have been remodeled to accommodate their limited mobility. Ramps into homes, widening of doorways, and grab bars have been installed according to the Americans with Disabilities Act standards. A number of medically fragile patients who choose to remain in their homes have been given a medical emergency alert signaler they wear to alert care home staff if they get into any situation requiring assistance.

In the summer of 2003, a patient who was receiving dialysis services in Honolulu made a request to go home to Kalaupapa and receive the service there. A community coalition was formed consisting of the DOH, Office of Hawaiian Affairs, St. Francis Hospital and Na Puu Wai to facilitate and expedite the request. With contributions from all the parties involved, home dialysis was initiated in Kalaupapa in April of 2004, allowing the patient to return home to Kalaupapa to receive dialysis.

Recently, a patient requested physical therapy services citing that these services and a whirlpool were previously available in the early 1990s. The Kalaupapa Care Home staff has been consulted as to whom and what types of physical therapy would be appropriate. Currently, patients in medical need for such services are flown to Honolulu for the service. After a discussion with the medical staff and patients in which alternative physical therapies were identified by the patient community, it was mutually decided to survey all the patients to identify who and what is desired.

Most of the patients' basic living needs are provided by the DOH. Homes or residence in the Kalaupapa Care Home or Hale Mohalu Hospital are provided to all patients free of charge. Water and electricity are also free of charge and are paid by the National Park Service and DOH respectively. All patients receive a \$45.00 per week food credit to purchase goods in the Kalaupapa store. Those on the meals on wheels program have the cost of those meals deducted from their food allowance. Patients receiving all their meals through the meals on wheels program retain \$10.00 per week ration at the Kalaupapa store for personal items and incidental purchases. The patients also receive a quarterly cash allowance of \$30.00 and a \$70.00 clothing allowance twice a year. For those patients without any third party medical insurance, the DOH pays for their Medicare A and B premiums to save on medical costs.

II. The department's progress toward defining and addressing the non-medical needs of patients;

Much of the patients' dissatisfaction with the non-medical aspects of Kalaupapa's operations involved the lack of clear two-way communication and the lack of patients' involvement in deciding issues that affect them. This was recognized by the DOH prior to the auditor's findings, and in June of 2003, scheduled quarterly meetings were initiated between the Kalaupapa Patient Advisory Council, the Kalaupapa Administrator, and the Hansen's Disease Branch Chief. Prior to this, meetings were held on an ad hoc basis in which any of the parties would call a meeting when warranted. Minutes are taken at the meetings by the Patient Advisory Council Secretary and distributed to all interested parties.

One of the issues identified in the auditor's report was the diminishing effectiveness of the Patients Advisory Council. The DOH staff has always felt there was an open and productive relationship with the Patient Advisory Council. In addition to formalizing the quarterly meetings with the Patient Advisory Council, the DOH agreed with the Ohana O' Kalaupapa (a patient support group), that additional avenues of communications would be beneficial to all parties involved as well as strengthening the patient representation/advisory role of the council.

Monthly community meetings were initiated in January of 2004 in which the patient community could discuss issues and concerns with the Kalaupapa administrative staff, the Hansen's Disease Branch Chief, and Branch Administrative Officer. The National Park Service (NPS) was also invited and has participated in these meetings. The DOH's Deputy Director of Health Resources Administration has also attended these meetings on a quarterly basis.

In addition to addressing patients' concerns and getting patient input for those issues that concern them, the meetings provide a venue for the DOH and NPS staff to announce changes occurring or scheduled to occur within the settlement and to introduce new staff to the patient community. A frequent patient complaint prior to the monthly community meetings was, "I didn't know they (DOH/NPS) were doing that, or there are many new faces in the settlement we don't know." In a small isolated community such as Kalaupapa, such changes can be unsettling. The community meetings have mitigated much of the uneasiness.

The lack of a policies and procedures manual for non-medical issues was identified as a concern of the patients. To rectify this, the Patient Advisory Council was provided a complete set of current policies and procedures utilized by the Kalaupapa Administrator in August of 2003. New policies or amended policies are provided to the Patient Advisory Council as they are adopted and a discussion was held with the patients at a community meeting regarding the pro and cons of the different types of rule making that is available to the DOH and patients. While the auditor points out that the department has not utilized the formal administrative rule making process, it was agreed that this option was not necessarily the best method to address the uniqueness of the Kalaupapa community. Most of the patients' frustration focused on not knowing what the current policies were. This was rectified as described above.

Another non-medical concern voiced by the patients was the household appliances issue in which DOH staff are supplied with five major appliances (stove, refrigerator, water heater, washer, dryer) when they move into their State supplied homes, but the patients are not. The branch recognized and acted on the patients' request that the State purchase home appliances for them prior to the audit. In 1999, the branch initiated a funding request to the 2000 legislature to purchase patient appliances. Funding was not approved. The DOH administration shared this information with the Patients' Advisory Council.

A few months later, at an open community meeting, the issue of purchasing home appliances was raised by the patients. It was suggested by the then Branch Administrative Officer that appliances for the patients could be purchased with funds that were available in the Kalaupapa Patient Donation funds. Approximately \$83,600 was available at that time. These are donated funds that are available for patient use, under their control, and have been utilized in the past to

bring cable TV into the settlement, pay all patients' cable TV bills and to provide annual Christmas cash for all the patients. No patient consensus could be reached at that time and the matter was tabled until the audit.

In April of 2004, DOH developed a survey to poll all the patients regarding purchasing appliances for the patients (see Attachment A). The patient survey was completed in May of 2004 and 31 of 38 patients were surveyed. 94% of the patients felt that an appliance replacement program for non-repairable appliances was adequate versus receiving a complete set of appliances whether they needed it or not. This was the first time any type of patient consensus could be reached on this matter.

Once patient consensus was achieved on a feasible patient appliance replacement program, the DOH purchased a small pool (five of each of the five major appliances) of appliances which were delivered on the annual barge in August 2004. A draft appliance replacement policy was developed and distributed to the patients at the September 2004 community meeting for comments and changes. Several patient appliances have already been replaced. The pool of appliances will be maintained as program finances allow.

III. The department's progress toward promoting a positive living environment;

The DOH has done a multitude of things to provide a positive living environment in Kalaupapa. The items are listed by date along with a short description.

January 2004

A fee-for-service care home dietitian was asked to do quarterly food preparation demonstrations focusing on healthy eating alternatives for the patients. This was followed by a luncheon get together for all attending. The get together was moved from the evenings to mid-day to increase patient attendance. Luncheons are done at the care home on one of the physician visit days since many patients are there for their outpatient visits. As of September 2004, the dietitian is also working with the Kalaupapa Store staff to identify healthy alternatives that can be purchased by the store for the patients.

The HD Branch initiated scheduled quarterly visits by the Hansen's Disease Branch Social Worker. Prior to this, visits were performed on an as requested basis. Beginning in June of 2004, Social Worker visits were increased to every other month on a trial basis.

At the request of the Patient Advisory Council, the DOH administration changed the policy on reserving the visitor's quarters and the VIP quarters (Veteran's cottage) so that everyone can reserve the quarters no more than 30 days in advance. Prior to this, some VIPs were allowed to make reservations greater than 30 days in advance.

HD Branch staff requested the National Park Service include funding for patients' home repairs and maintenance in the next Federal funding cycle. Patient's homes that are maintained by the NPS would be turned over to the NPS once the patient passes away and no other patient wants it.

The DOH confirmed with the NPS that the NPS will be responsible for the cesspool to septic tank conversion of high volume flush buildings as required by the EPA by 2005. A total of 22 Kalaupapa cesspools will be converted to septic tanks by the NPS at a projected cost of \$3.0 million. Nine of the required 22 buildings are under the DOH's control. In August of 2004, a memorandum of agreement between the DOH and NPS was developed to formalize the agreement.

April 2004

DOH purchased a microwave oven and replaced a stove and refrigerator at McVeigh Community Hall at the patients' request. The NPS also purchased an additional refrigerator for McVeigh Community Hall.

June 2004

DOH began recruitment for the Clerk II position at the Kalaupapa Store. This was done to restore the store hours and allow the store to be opened on Tuesday and Thursday afternoons. The cut back in store hours was identified in the audit as one example of not communicating with the patients. Although the reduced store hours were necessary because of the death of a store employee, the patients continued to ask for restoration of the Tuesday and Thursday afternoons. The store clerk position was filled in September 2004. Tuesday and Thursday afternoon store hours were restored on October 4, 2004.

The Kalaupapa fishing policy was revised at the recommendation of the Patient Advisory Council. The policy now specifies a three-month reporting period for alleged violations of the policy rather than an unlimited amount of time. The revised fishing policy was adopted at the June 9, 2004, community meeting.

The Social Worker will assist with teaching patients how to use the internet once the NPS's Learning Center is on line at the Kalaupapa Library (at the request of the NPS). The NPS is providing all the computers for the library as well as providing internet access.

Developed draft language for Kalaupapa staff regarding interpretation of the DOH's policy on interpersonal relationships between staff and patients as it relates to the unique relationships in Kalaupapa. Policy developed to protect patients from staff in situations where a financial, emotional, or treatment relationship exists. Draft language was approved by DOH Personnel Office and distributed to Kalaupapa staff.

The DOH pays the airfare, room and board for a State sponsored hairdresser to provide haircuts and perms for patients. At the patients' request, the hairdresser's trips were increased from once a quarter to twice a quarter. The program will be monitored during a six-month trial period to see if the program is warranted.

July 2004

The DOH purchased a second patient/community van for transporting patients' visitors. Van was delivered on the August 7, 2004 barge and put into service.

A temporary paid janitor position was offered to patients at their request to replace the Department of Transportation (DOT) employee who normally cleans the airport restrooms (employee was on an extended vacation). Normally the DOT or DOH would have provided the staff coverage.

Early reservations and pre-payment by the NPS for the use of the guest quarters by their private contractors was halted at the patients' request. This change may negatively impact the NPS's projects and timelines.

The electrical transformer supplying electricity to the Kalaupapa Care Home was disabled by a patient automobile accident. Staff worked around the clock to keep a backup generator fueled and operational. A replacement transformer was located and installed with the help of State Representative Solomon Kahooalahala.

The Hansen's Disease Branch Chief met with Mr. Burt Lum of Mindwind Labs to explore the feasibility of bringing telemedicine to the Kalaupapa Care Home to link the care home with St. Francis Medical Center to support dialysis. Mr. Lum will coordinate the efforts of a number of interested parties who have already explored the issue.

The Branch staff provided extensive work with patient-owned Damien Tours from March through July 2004 to assist in obtaining liability insurance for the tour operations. The Deputy Director for Health Resources Administration was also involved.

The DOH attended a Federal Aviation Administration (FAA)/NPS meeting regarding air tour flyovers of the Kalaupapa National Historic Park. The DOH restated the Health Director's letter to the FAA requesting that no air tour flyovers be allowed according to the patients' wishes.

The Branch staff participated in the NPS's choosing by advantages (CBA) selection process to identify the most efficient and effective solid waste management plan for Kalaupapa Settlement. The DOH currently operates the Kalaupapa landfill but will close the landfill and all landfill operations by 2008. The Settlement's solid waste management responsibilities will be turned over to the NPS at that time.

Initiated and executed a five year extension of a memorandum of agreement with Maui County to provide police and fire backup for Kalaupapa.

September 2004

The Branch staff coordinated a meeting between the DOH, NPS, the Honolulu Diocese, and the order of the Sisters of St. Francis to discuss the disposition of Mother Marianne Cope's remains in regards to her beatification. The DOH and NPS will assist with the exhumation process when necessary.

IV. The department's management of state resources, including benefits given to employees that are not statutorily defined;

The DOH manages Kalaupapa with the same checks and balances applied to every other program within the Department. All Kalaupapa expenditures can be broken down into the purchase of goods, both long term and short term, and services provided by private providers. The overall program budget is determined by the biennium budget and guided by the program's operational expenditure plan which further breaks down expenditures into quarterly amounts including restrictions or deletions.

The State's purchase order (PO) system is utilized to purchase goods and services. Requisitions for purchase orders are submitted by the Kalaupapa unit supervisors to the Kalaupapa Business Services Supervisor then to the Kalaupapa Administrator for his signature. The signed requisition is forwarded to the Hansen's Disease Administrative Office for review and signature. The requisition is then forwarded to DOH's purchasing office where it is further scrutinized for compliance with State procurement rules and regulations. If everything is in order, a purchase order is encumbered and the original sent to the vendor, and a copy is sent back to Kalaupapa's administrative office.

Durable goods (life greater than a year) are managed according to the State's inventory management protocols and will be discussed in a following section. Disposable goods such as food products are checked against the original purchase order to insure receipt of all purchased items. Procured services are checked upon completion against the requested work order before the invoice and purchase order is processed.

Kalaupapa employees receive a number of benefits that are not statutorily defined. All employees receive free room and board in Kalaupapa. In the past, the majority of the employees were housed in dormitory complexes. Only the Kalaupapa Administrator, the Physician, the Nursing Supervisor, and the General Construction and Maintenance Supervisor were housed in single family residences. In the early 1990's, the Communicable Disease Division Chief issued a policy memo that allowed the Care Home nursing staff to move into houses if a house was available and no patient wanted the vacant house. This was done to assist in the recruitment of nurses for the Care Home. With no patient demand for the vacant homes, it was apparent that it was easier to maintain a home if it was occupied rather than left vacant. Over time most of the DOH employees who wanted a home were accommodated. A number of houses were also turned over to the NPS for their employees.

Another change that occurred during this time was the practice of employees having to leave the settlement on weekends. Although some of the employees were required to stay in the settlement during the weekend such as the care home staff, janitorial staff, and kitchen staff, those staff members with Monday through Friday schedules were forced to leave the settlement for the weekend. There are probably two reasons for this change, the first one being a change in primary residence of the employees. In the past, most of the employees were from Molokai and walked up the trail to their "topside" home or flew out at relatively low cost. As more staff came from other islands this was no longer feasible.

At the same time, there were enough situations occurring during the weekends that required employee responses that it was beneficial for the employer to have staff on hand to respond to these situations. These situations included electrical power outages, structural damage from high winds, high waves closing the airport or roads with flooding and debris, missing or trespassing hikers, distressed boaters, patient air evacuations, and patient deaths and burials.

When the employees lived in the dormitory complexes household supplies such as toilet paper, paper towels, cleaning supplies, laundry and dish washing soap was supplied to the complex. Household supplies continued to be provided to the employees when they started moving into the houses. In May of 1999, the DOH attempted to cease providing household supplies to employees citing that such benefits was not in statute, bargaining unit contracts, administrative rules, or program policies. The United Public Workers (UPW) union and Hawaii Government Employees Association (HGEA) union both filed grievances against the DOH citing past practices, original terms of employment and withholding household supplies constituted a change in working conditions that should be negotiated through a memorandum of agreement. As a result of the union grievances, the DOH worked out an agreement to continue providing employees with household supplies. A set list of supplies was formalized in the agreement and the supplies are distributed to staff on a quarterly basis.

In 1998, the DOH attempted to crack down on the practice of employees leaving work early on Friday afternoons to catch their flight out to “topside” Molokai and returning late to work on Monday mornings after catching the morning flight. When the DOH announced the end of the “early out and late back” practice the unions threatened with grievances. It was mutually agreed that the employees leaving early on Fridays and returning late on Mondays would give up their 10 minute morning and afternoon breaks as well take a shortened 30 minute lunch. Employees are required to notify their supervisor at the first of the week if they are taking advantage of the “early out/late back” practice and are altering their time schedules.

Another benefit that is available to both employees and patients is the practice of being able to borrow State equipment for private use. Lawn mowers and power tools are the most commonly borrowed equipment, but other items as large as the crane truck are borrowed by both employees and patients to lower their boats into the water. Permission forms to borrow the equipment is filled out prior to borrowing the equipment and given to the supervisor who is responsible for the equipment. The supervisor checks out the borrowed piece of equipment and upon return, checks the item to make sure it is in working order.

V. The department’s progress toward establishing written policies and procedures for Kalaupapa store;

The audit identified the lack of written policies and procedures for the disposal of excess inventory at the Kalaupapa store as contributing to an appearance of potential abuse. Effective January 2004, a policy and procedure was developed and implemented for inventory disposal at the Kalaupapa store. The policy identifies any goods that are within one (1) month of their expiration date, should be sold at half price (this is consistent with a retail grocery store on topside Molokai). If the goods are not sold, a Disposal Application is prepared listing the

quantity, item, date received, expiration date and cost. The application is presented to the Kalaupapa Administrator for approval. Once approved, two (2) DOH employees must witness the disposal of the goods and sign the disposal application form to certify the disposal. Each disposal is entered on an annual disposal log to record disposals and their total cost for the fiscal year.

One of the primary reasons for disposal of canned goods is the un-appetizing appearance of the rusted can. The Kalaupapa store is located a few yards from the Kalaupapa pier and is exposed to constant extremes of salt air. The salt air quickly rusts all metals within the store particularly the canned goods. Four air conditioners have been installed in the store to prevent spoilage and wastage of goods within their consumable life.

Store inventory management in regards to forecasting inventory utilization was also mentioned in the audit as being deficient. The store does have an inventory database that lists all goods in the store inventory, the amounts and the month and year purchased. Quarterly inventory counts reconcile the actual inventory on hand with the database, allowing annual purchase utilization projections for each store item. At the time of the audit, the store manager had just come back from a long-term medical leave (greater than one year) and the database was not kept current.

As of August 2004, coinciding with the annual barge, the store warehouse was completely inventoried and rearranged to facilitate the first-in-first-out inventory policy. The inventory database was updated with the current information and will be utilized to develop projections for goods purchased for the annual barge. Store staff will be assisted by the Light Truck Driver to maintain stocking and stock rotation within the warehouse throughout the year.

VI. The department's progress toward establishing and maintaining a complaint file and adequately addressing complaints;

As of January 2004, the Hansen's Disease Branch Administration office and the Kalaupapa Administration office set up a formal complaint process which is patterned after the Director's office complaint process. All complaints are logged with the dated received, how the complaint was received, e.g. phone call, letter, etc., nature of the complaint, what actions were taken and when the actions were taken. All complaints are followed up by a written response or a follow up phone call to the person filing the complaint.

As of October 2004 the HD Branch office received 12 complaints. Eight of the 12 complaints were made by, or on behalf of Kalaupapa residents. All were resolved and a response given back to the person filing the complaint. The Kalaupapa Administrative office received 11 complaints from Kalaupapa residents during the same period. All complaints were resolved.

VII. The performance of the administrator, including compliance with job duties;

The audit report stated that "the (Kalaupapa) administrator was the main source of frustration for patients and most complaints presented to us centered on the negative behavior of the Kalaupapa Administrator (KA)." The DOH's approach to this situation was to identify the scope of the

problem, what types of problems the patients' had with the administrator, and what kind of changes the patients wanted to see with the KA. The DOH also looked at his job description and what types of tasks the administrator was performing in relation to it. Using the results of a patient survey, training sessions were arranged, a remediation plan was developed and implemented for the administrator, and the administrator was evaluated by the patients themselves.

In April of 2004, 28 of the 38 Kalaupapa patients were surveyed to identify areas of concern with the administrator and to specify what they wanted to see in terms of improvement (see Attachment B). The survey was administered by staff from another DOH division and was completely anonymous. Six patients refused to be interviewed and four were not medically able to be interviewed. 47% - 59% (a variety of questions asked) of all patients surveyed had issues with the administrator's communication skills. 56% of all patients surveyed had issues with the administrator's problem resolution skills. 58% of all patients surveyed felt the administrator was not fair in his decisions.

Two counseling sessions with DOH management staff was held with the KA, identifying areas of improvement and possible techniques for improvement. The second session addressed patients' self determination rights as related to the Olmsted decision (handicapped patients' rights). During this time the KA also attended and completed a four hour elder sensitivity training.

The KA's current, but old job description was reviewed and updated to include more interpersonal tasks in recognition that the position was not just a technical facilities manager (see Attachment C). The job description update involved input from the KA to insure understanding and "by-in" by the individual. The updated job description has been submitted to the Department of Human Resources Development (DHRD) for formal approval.

As a result of the patient survey, the KA's supervisor, the HD Branch Chief, developed and implemented a special three month (May 24, 2004 – August 24, 2004) remediation and evaluation period for the KA that included demonstrated improvement in communication, problem resolution, fair treatment of patients and addressing audit identified deficits. Patients' feedback regarding their interactions with the KA was utilized to evaluate improvement. Details of the three month KA evaluation were announced at the June community meeting to let patients know they would be getting calls and would be part of the evaluation process. Mentoring and monitoring for improvement was done weekly with bi-weekly face-to-face meetings in held in Kalaupapa between the HD Branch Chief and the KA.

During the special three month evaluation, the KA recorded all significant interactions with patients. Thirty six (36) patient interactions were recorded for the time period. Eighteen of 27 patient-residents had one or more interactions with the KA and were interviewed by the Branch Chief weekly as the interactions were reported. Three Kalaupapa patients were not medically able to interact with the KA, six patients who had refused to be interviewed for the April 2004 survey were not involved in any interactions with the KA, and the balance of the patients are long-term residents of Hale Mohalu Hospital in Honolulu or living on their own outside of Kalaupapa.

Of the 36 interactions followed up by the Branch Chief, not one patient complaint was recorded against the KA. This was in direct contrast to the April survey in which a little over half of the patients had concerns about the KA's communication skills, problem resolution, and ability in rendering fair decisions. All patients reported good experiences with their interactions with the KA. Comments included:

"He has gone out of his way to handle my problem."

"We have noticed he is trying to do better."

"He has shown improvement."

A few said they have never had any problems with the KA and they would not want to see him fired. The Branch Chief's follow up included not only asking the patients about the specific interaction with the KA, but also if there were any other problems with him. Only one patient reported having an additional issue with the KA. The patient had a concern about a specific employee's overtime which turned out to be community service provided by the employee.

The Branch Chief also observed the KA's interaction with the community at all the monthly community meetings as well as Patient Advisory Council meetings. In all instances, the KA was cordial, fair, and often innovative in suggesting solutions to some difficult situations facing the Kalaupapa community. Overall, patient response to the KA and the monthly community meetings has been positive. A number of people who are neither patient nor staff have also commented on the positive changes.

Although the KA passed the special three month remediation and evaluation period at more than a satisfactory level, he will continue to be closely evaluated in his interpersonal interactions with patients, his actions to address audit identified deficits, as well as his regular duties and responsibilities.

VIII. The department's progress toward adequate accountability of state property;

Two new inventory control policies were developed to increase efficiency and effectiveness in inventory management (incoming and outgoing items) during the annual barge visit. All new state property coming in on the barge is fixed with a decal and the State employee delivering the item must report the item/description, decal number, and location delivered to administration while the receiving party must sign for the item to acknowledge receipt. All State property shipped out on the barge for disposal must have a State approved disposal application form (DAGS form) and be logged on an Outgoing Barge Form (internal administration form) to facilitate inventory control. Both policies will make inventory control more effective and efficient.

As of June 2004, a complete inventory of all property was taken by each employee in their assigned residence, assuring that each State supplied item had a State decal. New decals were

assigned to property that were missing decals. Each Kalaupapa unit supervisor performed a complete inventory of their respective departments to identify missing items and items without decals. They were reminded in a policy memo that any new acquisitions must have a decal, as they are acquired, and any movement of items from one department to another must be reported to the administration office.

By the first quarter of FY 2004, 35 items were disposed of, 32 are awaiting State approval for disposal, and 126 items have been added, representing both non-tagged items and new items. Inventory reconciliation will continue throughout the year.

IX. Details and justification of approved employee air travel requests and trail pay.

Each bargaining unit contract contains a specific article that allows a Kalaupapa employee whose permanent residence is on “topside” Molokai, and who is provided quarters in Kalaupapa as a matter of convenience to be granted either three roundtrips by air per month, or two hours of travel pay for trekking up and down the trail once a week to topside. Employees whose permanent residence is in Kalaupapa are granted one roundtrip by air to topside each month. The audit found the Kalaupapa administration had policies and procedures in place to administer the air travel request and trail pay, but in a few instances some employees were reimbursed for roundtrip air travel in violation of the bargaining unit contracts and some were paid trail pay without actually following the procedures for reimbursement.

The bargaining unit contracts allow employees three roundtrips by air to topside per month. The majority of the overpayment for air travel identified in the audit (67 roundtrips, totaling \$6,557) was the result of the Kalaupapa Administrator authorizing air travel beyond topside Molokai (primarily to Honolulu). In the past, the cost for the flight from Kalaupapa to topside Molokai was the same as the flight from Kalaupapa to Honolulu on the regularly used “air taxi” service. Although these trips were in violation of the bargaining unit contracts, they were approved because there was no additional cost to the program. An additional motivation to approve these trips was that employees utilizing the air taxi service rather than the “scheduled” airline service saved the State at least 30% on each roundtrip because of the substantial price difference (approximately \$60 versus \$90).

The practice of reimbursing trips beyond topside Molokai was halted in January 2004 once the audit identified the practice and it was confirmed by the DOH. Only employee air travel to topside Molokai is reimbursed and all air travel must be substantiated by a valid airline receipt or travel report provided by the airlines. In addition to submitting the receipt, the employee must also complete and sign a reimbursement application at the end of each month for that month’s travel. These reimbursement requests are then sent to the HD Branch office for review and approval by the Administrative Officer. The paper work is forwarded through the Communicable Disease Division office to the DOH’s pre-audit office for submission to the Department of Accounting and General Services (DAGS) to generate the reimbursement check. As a result of the problems identified in the audit regarding the employees being paid for trail pay without following the established procedures, a new trail pay policy has been implemented that deletes the redundant trail pay log book. Instead of having the employee sign the trail pay

log book each time and also certify and sign the trail pay request form after the clerical staff types it up, only the original trail pay request form is utilized with new constraints added to insure accuracy and timeliness of filing.

The new procedure mandates the employee come to the administration office each time the employee completes a round trip up and down the Kalaupapa trail. The employee signs for the trip by entering the date the trail was walked and initialing next to the date. The employee may not complete the form in advance or more than a week after the walk date. At the end of the month, the employee reviews the form and certifies it to be true and correct by signing and dating the form. The original form is initially approved by the Kalaupapa Administrator and sent on to the HD Branch office for review and approval by the Administrative Officer. The paper work is forwarded through the Communicable Disease Division office to the DOH's pre-audit office for submission to the Department of Accounting and General Services (DAGS) to generate a check.

House Bill 2814, H.D. 2, S.D. 1, C.D.1 amended chapter 326-13, Expenses; rules, to include a new section (b) in which "expenses related to patients shall be tracked separately from non-patient costs, whenever appropriate and possible." There are a number of expenses that can be tracked separately, but the majority of the expenses for Kalaupapa may not be separated.

Listed below is a summary of expenses that were tracked or that could be readily calculated.

Patient Expenses for the period July 1, 2004 through September 30, 2004:

Home Care Staff Salaries	25,431
Medications	57,776
Miscellaneous Medical Expenses (supplies, specialists, etc.)	13,326
Medicare Reimbursement	5,868
Other Medical Reimbursement	264
Care Home Staff Salaries	160,465
Care Home Staff Overtime	8,702
Physician Services (contractor has not billed as of 10/04)	--
Travel Cost for Medical Care	8,164
Food Rations (\$45 per patient per week drawn at the store)	21,645
Meals (estimated: 581 meals @ \$3.50 ea.)	2,034
Clothing Allowance (\$70 per patient per 6 months)	2,590
Cash Allowance (\$30 per patient per quarter)	1,110
Patient Employee Program Pensions (as of 08/04)	26,646
Appliances (washer, dryer, refrigerator, stove, water heater, microwave oven)	18,186
Cable TV (paid by donation funds)	4,000
Beautician	288
Stamped Envelopes (10 per patient per month)	1,100
Personal Vehicle Gas	2,379

Non Patient/Employee Expenses for the period July 1, 2004 through September 30, 2004:

Trail Pay/Air Travel	9,050
Meals (estimated: 2,605 meals @ \$3.50 ea.)	9,118
Salaries (Admin, Food Services and Construction & Maintenance)	200,610
Overtime (Admin, Food Services and Construction & Maintenance)	9,911
Standby Pay	1,357
Food Ration Credit	3,122
Employee safety equipment cost (steel toe shoes, gloves, goggles, respirators, etc.)	440

Expenses that would be difficult to track and report as patient versus non-patient include:

Administrative/clerical services; labor cost, supplies, facility maintenance, utilities
Housekeeping services; labor cost, supplies, facility maintenance, utilities, equipment
Food Services; labor cost, supplies, facility maintenance, equipment and equipment maintenance, utilities
Kalaupapa Store; labor cost, supplies, facility maintenance, utilities, shipping, spoilage
General construction and maintenance services; labor cost, supplies, facility maintenance, utilities, equipment cost and maintenance
Electricity cost; (state building are not metered and one bill is generated)
Trash pickup and landfill operations
Upkeep of common areas

In above example of expenses that are difficult to track and report as patient versus non-patient, DOH staff provides services for patients, staff, visitors, and in some cases, the National Park Service. Tracking actual costs would not be feasible or would require great cost in terms of time and labor. As an example, the housekeeping unit provides janitorial and housekeeping services for the care home, state offices, community buildings e.g. McVeigh Hall, and all the visitor's quarters. The community building and visitor's quarters are used by patients and non-patients daily. Assigning costs for supplies used, cost of utilities, facility or building maintenance, equipment purchased or used, would be very difficult in this case and would have to be done for every different function/activity that each of the service sections provide.

The general construction and maintenance section is responsible for the repair and maintenance of all buildings within the settlement, plumbing, painting, common area yard maintenance, vehicle repair and maintenance, garbage pickup, landfill operations and all the sub activities under each responsibility. In order to separate patient and non-patient cost, each activity would have to be evaluated to assign cost with estimated costs being assigned in many cases rather than an actual cost.

It is difficult to separate most costs in Kalaupapa and even if possible, would be at great cost in time, energy and staff with accuracy still being in question.

The DOH is greatly appreciative for the opportunity to share with the legislature all the actions it has taken to address the deficiencies identified in the auditor's report and to improve the quality of life for the remaining patients of Kalaupapa Settlement. The DOH feels that the actions

described in this report are a strong foundation on which to build further improvements for the patients' well being, the community operations and the community as a whole.